

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

7910

HOUSE JUDICIARY

175

Games of Chance and Skill

Name of Permit Holder ALASKA TELEPHONE ASSOCIATION	Permit Number 92-0235
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**SCHEDULE E.
DONATIONS OF NET PROCEEDS**

Net proceeds from gaming activities must be dedicated within one year to the awarding of prizes, and to political, educational, civic, public charitable, patriotic or religious uses in Alaska. (See AS 05.15.150) List below all dedications of net proceeds. Use additional pages as necessary, or any reasonable facsimile that contains all of the requested information.

RECIPIENT	PURPOSE	AMOUNT	DATE	CHECK NO.
EILEEN MACLEAN FOR HOUSE	CAMPAIGN CONTRIBUTION	500.00	8/25/92	1572
IVAN IVAN FOR HOUSE	" " " " " " " " " " " "	500.00	8/25/92	1573
JIM ZAWACKI FOR SENATE	" " " " " " " " " " " "	500.00	8/25/92	1574
MARK HANLEY FOR HOUSE	" " " " " " " " " " " "	250.00	8/25/92	1575
TIM KELLY	" " " " " " " " " " " "	250.00	8/25/92	1576
RANDY PHILLIPS FOR SEN.	" " " " " " " " " " " "	250.00	8/25/92	1577
GEORGE JACKO FOR SENATE	" " " " " " " " " " " "	250.00	8/25/92	1578
RICHARD FOSTER FOR HOUSE	" " " " " " " " " " " "	250.00	8/25/92	1579
GLEN NICOLAI FOR HOUSE	" " " " " " " " " " " "	250.00	9/2/92	1580
DINEEN FOR HOUSE	" " " " " " " " " " " "	250.00	9/9/92	1581
FRED ZHAROFF FOR SENATE	" " " " " " " " " " " "	500.00	10/1/92	1583
SUZANNE LITTLE FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1584
DRUE PEARCE FOR SEN.	" " " " " " " " " " " "	500.00	10/1/92	1585
LOREN LEMAN FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1586
STEVE RIEGER FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1587
TIM KELLY FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1588
JAY KERTULLA FOR SEN.	" " " " " " " " " " " "	500.00	10/1/92	1589
STEVE FRANK FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1590
MIKE MILLER FOR SEN.	" " " " " " " " " " " "	250.00	10/1/92	1591
FRAN ULMER FOR HOUSE	" " " " " " " " " " " "	500.00	10/1/92	1592
JERRY MACKIE FOR HOUSE	" " " " " " " " " " " "	500.00	10/1/92	1593
GAIL PHILLIPS FOR HOUSE	" " " " " " " " " " " "	500.00	10/1/92	1594
MIKE NAVARRE FOR HOUSE	" " " " " " " " " " " "	250.00	10/1/92	1595

TOTAL AMOUNT. Enter here and on page 1, line 14

STATE OF ALASKA
DEPARTMENT OF COMMERCE
DEVELOPMENT

JAN 26 1993

DIVISION OF
OCCUPATIONAL LICENSING

PROPORTION
INSTRUCTIONS
For each type of gaming
activity, multiply the
net proceeds by the
proportion.

ACC/PAC 92

CONTINUED
NET PROCEEDS

AMOUNT	DATE	CHECK NO
500.00	9/21/92	1561
500.00	9/22/92	1562
500.00	9/22/92	1563
500.00	9/22/92	1564
1,000.00	9/22/92	1565
1,000.00	10/1/92	1566
500.00	10/1/92	1567
500.00	10/19/92	1568
TOTAL AMOUNT	23,500.00	

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL VERSION CSSB 76
PUBLISH DATE (Fin)

FISCAL NOTE

REQUEST:

Revision Date: 4/16/93 Affected Agency: Dept. of Revenue
 Title: Act Relating to BRU: Gaming Div.
Charitable Gaming
 Sponsor: Sen. Pearce Components: _____
 Requester: Senate Finance Committee

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services	77.4	77.4	77.4	77.4	77.4	77.4
Travel	3.0	3.0	3.0	3.0	3.0	3.0
Contractual						
Equipment	6.0					
Supplies	0.5					
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	86.9	80.4	80.4	80.4	80.4	80.4

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	100.0	100.0	100.0	100.0	100.0	100.0
---------	-------	-------	-------	-------	-------	-------

FUNDING: (THOUSANDS OF DOLLARS)

General Fund P.R.	86.9	80.4	80.4	80.4	80.4	80.4
Federal Fund						
Other						
TOTAL	86.9	80.4	80.4	80.4	80.4	80.4

POSITIONS:

Full-Time	1	1	1	1	1	1
Part-Time						
Temporary						

Estimate of FY 93 Impact 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Personal Services, 1 each, Revenue Auditor IV. One-time cost equipment for computer, desk, etc. Revenue increase from auditing of tax returns.

Prepared By: *John Hansen*
 Division: John Hansen, Gaming Division

Date: _____
 Phone: 465-2581

Approved by: *Paul Fuhs*
 Agency: Paul Fuhs, Commissioner
Dept. of Commerce & Economic Development

Date: 4-17-93

NEWS CLIPPINGS IN
Anchorage Daily News

Date: 4/23 1993

Gaming reform

Taking a chance on a new set of rules

It's difficult to support gambling under any guise. It's often addictive behavior, just like smoking, drinking and holding political office.

But there's no chance state legislators will vote to eliminate gambling entirely, and in fact, it would be painful for many people if they did. Charities and other nonprofit gaming permit-holders reaped about \$18 million from gambling in 1991 and a little less than that in 1992. They depend on that money.

For years, though, state gambling regulators and others have been pressing for reforms that improve some of the poorer practices tied with gambling in Alaska, such as:

- The small percentage of net proceeds required to go to the charities: 15 percent.
- The ease with which many felons can become legal operators on behalf of charities.
- The fact that gambling profits fuel political campaigns, mostly through gaming permits held by labor organizations and political parties.

The Senate, with Gov. Wally Hickel's support, has just passed a bill that addresses each of those practices. The House has yet to act on the legislation.

The Senate bill will guarantee at 30 percent the minimum amount that charities get, ban direct contributions of gambling money to either political candidates or lobbyists and lighten the rules regarding felons.

In addition, the bill gives charities that don't want to hire an operator a new option: It allows charities to sell their pull-tab games directly to bar owners and get 60 percent of the net proceeds up front, bypassing the middleman, the operator.

Gaming director John Hansen is a big supporter of the legislation. As gambling law stands now, he says, "There are all these loopholes that make regulating it darn near impossible." The reforms would give him clear direction, he says.

The bill could have been even better if the Republican-led Senate majority had been willing to listen to suggestions from the minority. Sen. Georgianna Lincoln, D-Rampart, tried to add provisions to allow small communities to ban gambling, as they do now for alcohol. Sen. Suzanne Little, D-Soldotna, tried to get pull-tabs banned in public places where liquor is consumed. Sen. Judy Salo, D-Kenai, wanted to raise the legal gambling age from 19 to 21. Those are all good ideas, and they all were voted down during a snitty Senate floor debate.

One troubling question about the Senate bill is whether it will spur expansion of the gambling industry in Alaska.

Senate Minority Leader Jim Duncan, D-Juneau, argues that the provisions allowing charities to go straight to bar owners with their pull-tab games will up the ante. "We're going to create casinos throughout the state."

The bill's sponsor, Sen. Drue Pearce, R-Anchorage, calls that idea ridiculous.

And the gaming director, Mr. Hansen, says the numbers don't back up such an assertion. As it stands now, more than 60 percent of the pull-tab permits already are at places that have alcohol. "I don't think it's going to increase gambling much at all to be honest," he says.

That remains to be seen. But we believe this bill will produce enough positive changes that we should take a chance on it.

Waco Tragedy

Experts? What experts?

Cult leader David Koresh bears responsibility for the 86 deaths in his compound. But the federal government has a burden to bear after Waco too.

For one thing, officials in Washington and Texas deserve terrible marks in psychology. They never understood David Koresh despite all their consultants and experts. And they never understood the mysteries of his faith.

The FBI repeatedly tried to "shrink the perimeter" of the Koresh compound. But the real "perimeter" was in David Koresh's head. Finding his space restricted in this world, he had the next world — God's world — as a refuge. The government had no way to "shrink the perimeter" of eternity.

Moreover, the government says it was convinced that David Koresh would not lead a mass suicide. Why? Because FBI officials had asked followers who left the compound if he would, and they said "No." Think about that for a second. Would cultists who had been manipulated and misled by David Koresh's comecopie of lies know his intentions? Hardly.

Clearly the Clinton administration better require a new Psychology 101 course for a lot of people with big titles.



THE WHALER

CASINO SUPPLY

171 MULDOON ROAD • ANCHORAGE, ALASKA 99504
(907) 337-0804 • (800) 478-0804 • FAX (907) 337-5242

22 April, 1993

To: Ramona Barnes
House Speaker
House Of Representatives
State Of Alaska
Juneau, Alaska 99801-1182

From: James J. Peot, Owner
Whaler Casino Supply DL 93-0003

Dear House Speaker Barnes,

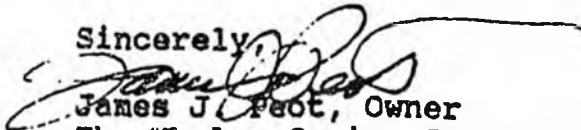
As a member of the advisory panel on gaming, I was gratified to see in Wednesday's paper that Senate Bill 76 passed through the senate on Tuesday. As a distributor of pulltabs and bingo supplies, I am affected by, and have a great deal of concern about passing these changes to our gaming laws. Our company deals with both operators and charities directly. I have followed Drew Pearce's Senate Bill 76 since it's conception, participated in tele-conferences, and spoken with several charities and operators concerning this Bill. As a result, the general consensus of my contacts believe that this bill will be both, productive, and beneficial to all parties involved.

It appears that the Bill has the potential to pass in the house as well, but that there is very little time left in this session to bring it to a vote. I also understand that the Bill is not currently on your priority list. I feel, as do many others like me, that this Bill should be placed on your priority list so we can get it on the floor for a vote. The legislators have procrastinated, pigeon-holed, and delayed this type of bill for over four(4) years now and as a result the same old practices that have come under fire in the past have continued to affect the charities that the gaming industry was designed to help. I DO NOT believe this Bill will increase the overall gambling within the state. I do believe, however, that it will return millions of extra dollars to the charities.

I know that the "big money" that is given to lobbyists and some legislators derived from gambling, through operators to promote their agenda, can be tempting and difficult to turn down, but the time has come to clean this industry up. This Bill can do just that. Put the money back into the charities hands where it was originally intended to go, and where it belongs.

I urge you to place Senate Bill 76 on a priority list and pass it.
It is a bill that all sides can live with.

Sincerely,



James J. Peot, Owner
The Whaler Casino Supply, DL-0003

CC: All members of The Alaska state House Of Representatives

P.S. THIS LETTER IS VERY URGENT AND SHOULD BE DISTRIBUTED AS SOON
AS POSSIBLE TO ALL STATE REPRESENTATIVES!!

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 22, 1993
Place: Capitol Room 120

Subject of Meeting:
 SB 76 Charitable Gaming Restrictions

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
John Hansen	DLED	Box D		5-2581		<input checked="" type="radio"/> Y <input type="radio"/> N	SB-76
Paul Fullis	"	"			5-2500	<input checked="" type="radio"/> Y <input type="radio"/> N	SB 76
JERRY LUCKHAUPT	LAA - LEGAL SERVICES				2450	<input type="radio"/> Y <input type="radio"/> N	SB76 Available for questions
Ken Erickson	Sponsor ^{Sen} Pearce				4993	<input checked="" type="radio"/> Y <input type="radio"/> N	SB-76
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 22, 1993
Place: Capitol Room 120

Subject of Meeting:
SB 76 Charitable Gaming Restrictions

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
Russell Heath	ALC ENO. LOBBY	PO Box 22151 - Denver	79802		463- 3366	<input checked="" type="radio"/> Y <input type="radio"/> N	SB76
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
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						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

S B

8 4

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 19, 1993

Place: Capitol Room 120

HB 187 Interception of Private Communications
 HB 132 Extend Resource Extraction Permit/Lease
 SB 149 Revision of Banking Code
 SB 112 Uniform Commercial Code Revisions

Subject of Meeting: SB 84 Revoke Driver's License
 if False ID Used; SB 86 Fund Transfers Under the UCC

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
LT. CHRIS STOCKARD	PUBLIC SAFETY	450 Whittier St Juneau				(Y) N	HB 187 - FOR QUESTIONS ONLY ✓
Juanita Hensley	DPS/DMV	Box 1112-00	99811		4335	(Y) N	SB 84 ✓
Bill Kelder	Sen. Kerttula	Room 427, Capitol Bldg Juneau 99801-1127			4834	(Y) N	SB 86 & SB 112 ✓
JOSH FINR	SEN. KELLY				3819	(Y) N	SB 84 ✓
JOSH FINR	SEN. KELLY				3819	(Y) N	SB 149 ✓
BUD JAEGER	ALASKA INSURANCE AGENTS	301 SEWARD ST. JUNEAU	99801		586-2414	(Y) N	SB 149 ✓
Ben Williams	Rep. Tom Brice	STATE CAPITOL	99801		73466	(Y) N	CSHB 132 (ND)
Margot Knuth	law - Crim	Box 110300	99811		X4049	(Y) N	HB 187
JEFF BUSH	Commerce - Banking + Securities	175 S. Franklin, Ste. 318, Juneau	99801		463-4150	(Y) N	SB 149 ✓
						Y N	
						Y N	
						Y N	

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 2, 1993

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-19-93

The JUDICIARY Committee considered:

SB 84 am

SENATE BILL NO. 84 am

REVOKE DRIVER'S LICENSE IF USE FALSE I.D.

"An Act relating to fees for identification cards and certain motor vehicle licenses and permits; to licenses issued to drivers and to revocation of a license to drive; and providing for an effective date."

- RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title
 have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) DEPT. OF PUBLIC SAF.
 (#2-3-12-93)

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	✓	<i>Cliff Davidson</i>		✓	
<i>[Signature]</i>	✓				
<i>Brian Porter</i>	✓				
<i>Gail Phillips</i>	✓				

Brian Porter

 CHAIRMAN'S SIGNATURE

BILL NO: SB 84

DATE: April 19, 1993

TITLE: "An Act relating to fees for identification cards..."

CONTACT: C.E. Swackhammer
Deputy Commissioner
465-4322

SB 84 amends current law by requiring a holographic symbol be placed on driver's license and identification cards to prevent illegal alteration or duplication. This bill also adds a new section to Alaska's motor vehicle driver's license law to require an administrative revocation of the driver's license of any person under the age of 21 who uses a driver's license as fraudulent or false identification in an attempt to gain entry or purchase alcohol from a liquor establishment.

The Division of Motor Vehicles processes approximately 200,000 driver's license and ID card transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license will increase the cost from \$1.05 to \$1.30, thus increasing the cost of producing a license and increasing the contractual cost for DMV an additional 50.0 a year.

The Division anticipates some adverse public reaction to the revocation of a driver's license for a non-driving offense.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 license a year are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. Approximately 1,500 licenses and IDs a year are surrendered to the department or confiscated by law enforcement officers. At the time of confiscation, the person was attempting to use an altered license, or attempting to use another's license or ID to gain entry into a liquor establishment in an attempt to purchase alcohol. The 1,500 licenses and IDs includes the 500 to 700 that are surrendered to the ABC Board.

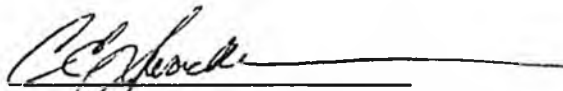
Identifying a person who is under 21 years of age on the driver's license will bring Alaska one step closer to qualifying for approximately 200.0 in federal highway safety alcohol incentive grants.

To offset the costs associated with the revocation of an additional 1,500 driver's licenses a year, the fees for identification cards, driver's licenses, and instruction permits have also been raised slightly.

Consumption of alcoholic beverages by minors in Alaska is a serious problem. The Department of Public Safety supports this bill as an attempt to more effectively enforce current restrictions upon minors' access to liquor establishments.

Department of Public Safety
Position Paper - SB 84
Page 2

The Department of Public Safety does not support the fiscal note prepared by Senate Finance Committee. We feel the fiscal note prepared by the Department accurately reflects the impact to the department.

A handwritten signature in cursive script, appearing to read "Richard L. Burton", is written over a horizontal line.

Richard L. Burton
Commissioner

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: SB 84 am

Revision Date: 4/19/93 Dept. Affected: Public Safety
 Title: "An Act relating to fees for identification cards." BRU: Motor Vehicles
 Component: Drivers Services
 Sponsor: Senator Kelly
 Requestor: House Judiciary COMPONENT SERIAL NO. 500

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	132.8	132.8	132.8	132.8	132.8	132.8
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	56.7	56.7	56.7	56.7	56.7	56.7
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	24.7	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	215.7	191.0	191.0	191.0	191.0	191.0

CAPITAL						
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REVENUE FUND SOURCE: 1005	993.1	993.1	993.1	993.1	993.1	993.1
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	215.7	191.0	191.0	191.0	191.0	191.0
1006 GF/MHTIA						
Other						
TOTAL	215.7	191.0	191.0	191.0	191.0	191.0

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 4/19/93
 Approved by Commissioner: *Richard J. Burton* Date: 4/19/93
 Agency: Richard J. Burton, Dept. of Public Safety

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For further distribution information call the Governor's Legislative Office

Analysis:

SB 84am will require the Division of Motor Vehicles to place a holographic symbol on every driver's license in a further attempt to prevent alteration or duplication of a driver's license. This bill also requires the revocation of the driver's license in an attempt to gain entry to purchase alcohol. The Division of Motor Vehicles processes approximately 200,000 driver's license transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license and identify those drivers under the age of 21 will increase the contractual cost from \$1.05 to \$1.30, thus increasing the overall contractual cost to DMV an additional 50.0 year.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 licenses are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. The department receives approximately 1,500 licenses each year that are surrendered or confiscated by law enforcement. The 1,500 licenses includes the 500 to 700 that are surrendered to the ABC Board.

The Division of Motor Vehicle estimates there will be an additional 1,500 driver license revocations a year. In order to handle the 1,500 additional license revocations a year, and provide due process for the person, one full-time Driver Improvement Specialist/Hearing Officer, and two full-time Document Processor IIs will be required. The duties of these positions are detailed in the attached request for new positions. The personal services cost for a Driver Improvement Specialist is 53.0; the personal services cost for the Document Processor II positions is 69.0; an additional 10.8 is needed for overtime expenses associated with reinstatement of revoked driver's licenses. The total for personal services is 132.8. The overtime pay is requested in lieu of a Motor Vehicle Representative III position, as the workload required to reinstate the offenders' driver's licenses will be borne by all of the Motor Vehicle Field offices throughout the state.

To revoke 1,500 additional driver's licenses a year takes over 30 processing steps per revoked license. It is estimated that 25% of all persons referred to DMV for a license revocation will request an administrative hearing. Each hearing takes approximately 20 minutes to one hour to conduct. All of the 30 processing steps varies in the time it takes to complete each step. Complete accuracy is essential, as an error of entry onto a record could result in civil liability to the State. It takes approximately 20 minutes per applicant to reinstate a revoked driver's license; the person must make a new application for the driver's license or permit, take all of the required tests, and if the person is under the age of 18 a parent or guardian must give consent for the driver's license or permit, file SR-22 (Certificate of Insurance) and pay the reinstatement fee. All of these steps total approximately 400 hours of additional workload for the Motor Vehicle Field office personnel.

Analysis (Cont'd.):

Under existing law, each person whose license has been revoked must pay a \$100 fee when applying for reinstatement of his or her driver's license. Assuming that 90 percent of the minors who are eligible for reinstatement will comply with the reinstatement requirements, approximately 135.0 will be generated annually as program receipts.

This bill increases the fees for a driver's license, and permits. The fee increases are as follows:

- (1) driver's license from \$10.00 to \$15.00
- (2) instruction permit from \$3.00 to \$5.00
- (3) duplicate license or permit from \$3.00 to \$10.00
- (4) school bus endorsement permit from \$3.00 to \$5.00
- (5) identification card from \$5.00 to \$10.00

This increase will generate overall, approximately 1.8 million dollars to the general fund. This increase is approximately 680.0 thousand more than the division presently receives in license fees and an additional 135.0 thousand in reinstatement fees for an overall total of 815.0 annually.

Detail

FY94

100	PERSONAL SERVICES		
	1 Driver Improvement Spec	53.0	
	2 Document Processor II	69.0	132.8
	Overtime MVR III Field Office	10.8	
200	CONTRACTUAL		
	Hologram inlaid driver		
	license pouch	50.0	
	Postage and tolls	2.5	
	Telephone line fees	.5	56.7
	Conference call and		
	long distance fees	3.7	
400	SUPPLIES		
	Routine Office Supplies	1.5	1.5
500	EQUIPMENT		
	3 Workstations		
	3 5-Drawer File Cabinets	24.7	24.7
	TOTAL		215.7

Position Title Document Processor II		Number of Positions 2	Range/Step 8-B	Bargaining Unit GGU
Time Status PFT	Staff Months 12 each	Location Juneau	Election District	
Type of Expenditure		Justification		
1	2	3	<p>These positions would handle the necessary paperwork and computer entry onto the minor's record. Among other duties, the positions will send out letters advising the person of the dates of the license revocation, prepare files for hearing officer after the person has requested a hearing, file, close files out, sanitize for microfilm, microfilm, enter microfilm documents for microfilm retrieval, enter license revocation data. It is estimated that these positions will handle approximately 1,500 license revocation files a year.</p>	
Salary*	45.6			
Benefits*	23.4			
Premium Pay (Included in Above)				
Other				
Total Personal Services		69.0		
Travel		0		
Contractual		4.5		
Commodities		1.0		
Equipment		16.5		
Other		0		
Total Cost		91.0		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
BRU Motor Vehicles
COMPONENT Driver Services

FY 94

Page 4 of 5
Revised Date

Position Title Driver Improvement Specialist		Number of Positions 1	Range/Step 16-A	Bargaining Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage	Election District	
Type of Expenditure		Justification		
1	2	3	This position will conduct administrative hearings involving the revocation of a minor's driver's license and/or privilege to drive. It will prepare the file, send notice to parties advising of the date and time of the hearing, conduct the hearing, prepare the file for appeal, enter license action onto the minor's driving record, and handle all correspondence associated with this program.	
Salary*	37.0			
Benefits*	16.0			
Premium Pay (Included in Above)				
Other				
Total Personal Services		53.0		
Travel		0		
Contractual		2.2		
Commodities		.5		
Equipment		8.2		
Other (Overtime)		10.8		
Total Cost		74.7		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Driver Services

FY 94

Page 5 of 5

Revised Date

FISCAL NOTE

No. 3

Bill Version: SB 84

(S) Publish Date: 3-22-93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Revision Date: 3/19/93
 Title: Relating to fees for ID cards
 Sponsor: Kelly
 Requestor: Senate Finance Committee

Dept. Affected: Public Safety
 BRU: Motor Vehicles
 Component: Driver Services
 COMPONENT SERIAL NO. 500

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	63.8	63.8				
TRAVEL	0	0				
CONTRACTUAL	56.7	56.7				
SUPPLIES	1.5	1.5				
EQUIPMENT	24.7	0				
LAND & STRUCTURES	0	0				
GRANTS, CLAIMS	0	0				
MISCELLANEOUS	0	0				
TOTAL OPERATING	146.7	122.0				
CAPITAL						
REVENUE FUND SOURCE:	725.0	725.0				

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF: Program Receipts	146.7	122.0				
1006 GF: MHTIA						
Other						
TOTAL	146.7	122.0				

POSITIONS:

FULL-TIME	1	1				
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary)

See attached explanation of revisions to fiscal note

Prepared by: Max Gifford, Admin. Assist.
 Division: Legislature (Sen. Kelly)
 Approved by: Sen. Grace Shauls, Co-Chair, SFC
 Agency: Legislature, Senate Finance

Phone: 465-3822
 Date: 3/19/93
 Date: _____

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Explanation of Fiscal Note Revision

SB-84 Revised 3/19/93

The new fiscal note reflects revenue and operating calculations based on an additional 500 driver license revocations a year, rather than the 1500 estimated annual revocations in the previous fiscal note.

Personnel Services is reduced to reflect only one new position, a Driver Improvement Specialist at a cost of \$53.0.

The remaining FY94 operating expenditures remain the same. The position count is reduced to one Full-Time position.

Lowering the number of annual additional license revocations to 500 reduces program receipts to \$45.0 based on a fee of \$100 for the approximately 450 license reinstatements. The figure is based on the Department's assumption that 90% of those eligible for reinstatement will comply.

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 2
Bill Version: 3B 84
(S) Publish Date: 3-2-93

Revision Date: _____ Dept. Affected: Public Safety
Title: "An Act relating to fees for identification cards" BRU: Motor Vehicles
Sponsor: Senator Kelly Component: Drivers Services
Requestor: Senator Kelly COMPONENT SERIAL NO. 500

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	132.8	132.8	132.8	132.8	132.8	132.8
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	56.7	56.7	56.7	56.7	56.7	56.7
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	24.7	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	215.7	191.0	191.0	191.0	191.0	191.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE: 1005	815.0	815.0	815.0	815.0	815.0	815.0
---------------------------	-------	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	215.7	191.0	191.0	191.0	191.0	191.0
1006 GF/MHTIA						
Other						
TOTAL	215.7	191.0	191.0	191.0	191.0	191.0

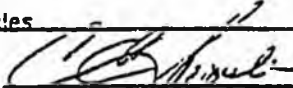
POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

See attached analysis.

Prepared By: Juanita Hensley Phone: 465-4361
Division: Motor Vehicles Date: 2/16/93
Approved by Commissioner:  Date: 2/16/93
Agency: Richard J. Burton, Dept. of Public Safety

PREPARER TO PREPARE

For

DEPARTMENT OF PUBLIC SAFETY
FISCAL NOTE

LEGISLATIVE OFFICE

ive Office

Page 1 of 5

Analysis:

SB 84 will require the Division of Motor Vehicles to place a holographic symbol on every driver's license in a further attempt to prevent alteration or duplication of a driver's license. This bill also requires the revocation of the driver's license in an attempt to gain entry to purchase alcohol. The Division of Motor Vehicles processes approximately 200,000 driver's license transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license and identify those drivers under the age of 21 will increase the contractual cost from \$1.05 to \$1.30, thus increasing the overall contractual cost to DMV an additional 50.0 year.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 licenses are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. The department receives approximately 1,500 licenses each year that are surrendered or confiscated by law enforcement. The 1,500 licenses includes the 500 to 700 that are surrendered to the ABC Board.

The Division of Motor Vehicle estimates there will be an additional 1,500 driver license revocations a year. In order to handle the 1,500 additional license revocations a year, and provide due process for the person, one full-time Driver Improvement Specialist/Hearing Officer, and two full-time Document Processor IIs will be required. The duties of these positions are detailed in the attached request for new positions. The personal services cost for a Driver Improvement Specialist is 53.0; the personal services cost for the Document Processor II positions is 69.0; an additional 10.8 is needed for overtime expenses associated with reinstatement of revoked driver's licenses. The total for personal services is 132.8. The overtime pay is requested in lieu of a Motor Vehicle Representative III position, as the workload required to reinstate the offenders' driver's licenses will be borne by all of the Motor Vehicle Field offices throughout the state.

To revoke 1,500 additional driver's licenses a year takes over 30 processing steps per revoked license. It is estimated that 25% of all persons referred to DMV for a license revocation will request an administrative hearing. Each hearing takes approximately 20 minutes to one hour to conduct. All of the 30 processing steps varies in the time it takes to complete each step. Complete accuracy is essential, as an error of entry onto a record could result in civil liability to the State. It takes approximately 20 minutes per applicant to reinstate a revoked driver's license; the person must make a new application for the driver's license or permit, take all of the required tests, and if the person is under the age of 18 a parent or guardian must give consent for the driver's license or permit, file SR-22 (Certificate of Insurance) and pay the reinstatement fee. All of these steps total approximately 400 hours of additional workload for the Motor Vehicle Field office personnel.

Analysis (Cont'd.):

Under existing law, each person whose license has been revoked must pay a \$100 fee when applying for reinstatement of his or her driver's license. Assuming that 90 percent of the minors who are eligible for reinstatement will comply with the reinstatement requirements, approximately 135.0 will be generated annually as program receipts.

This bill increases the fees for a driver's license, and permits. The fee increases are as follows:

- (1) driver's license from \$10.00 to \$15.00
- (2) instruction permit from \$3.00 to \$5.00
- (3) duplicate license or permit from \$3.00 to \$5.00
- (4) school bus endorsement permit from \$3.00 to \$5.00
- (5) identification card from \$5.00 to \$10.00

This increase will generate overall, approximately 1.8 million dollars to the general fund. This increase is approximately 680.0 thousand more than the division presently receives in license fees and an additional 135.0 thousand in reinstatement fees for an overall total of 815.0 annually.

Detail

FY94

100	PERSONAL SERVICES		
	1 Driver Improvement Spec	53.0	
	2 Document Processor II	69.0	132.8
	Overtime MVR III Field Office	10.8	
200	CONTRACTUAL		
	Hologram inlaid driver license pouch	50.0	
	Postage and tolls	2.5	
	Telephone line fees	.5	56.7
	Conference call and long distance fees	3.7	
400	SUPPLIES		
	Routine Office Supplies	1.5	1.5
500	EQUIPMENT		
	3 Workstations		
	3 5-Drawer File Cabinets	24.7	24.7
	TOTAL		215.7

Position Title Document Processor II		Number of Positions ?	Range/Step 8-8	Bargaining Unit GGU	
Time Status PFT	Staff Months 12 each	Location Juneau	Election District		
Type of Expenditure		Justification			
Amount		<p>These positions would handle the necessary paperwork and computer entry onto the minor's record. Among other duties, the positions will send out letters advising the person of the dates of the license revocation, prepare files for hearing officer after the person has requested a hearing, file, close files out, sanitize for microfilm, microfilm, enter microfilm documents for microfilm retrieval, enter license revocation data. It is estimated that these positions will handle approximately 1,500 license revocation files year.</p>			
1	2				3
Salary*	45.6				
Benefits*	23.4				
Premium Pay (Included in Above)					
Other					
Total Personal Services					89.0
Travel					0
Contractual					4.5
Commodities					1.0
Equipment					16.5
Other					0
Total Cost					91.0
Funding Source For Total Cost					
Federal Receipts	1002				
G.F. Match	1003				
General Fund	1004				
Program Receipts/GF	1005				
I-A Receipts	1007				
CIP Receipts	1061				
Other					
* Personal Services Salary and Benefits Costs are from PACS calculations.					

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Driver Services

FY 94

Page 4 of 5

Revised Date

Position Title Driver Improvement Specialist		Number of Positions 1	Range/Step 18-A	Bargaining Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage	Election District	
Type of Expenditure		Amount		
1	2	3		
Salary*		37.0		
Benefits*		18.0		
Premium Pay (Included in Above)				
Other				
Total Personal Services		53.0		
Travel		0		
Contractual		2.2		
Commodities		.6		
Equipment		8.2		
Other (Overtime)		10.8		
Total Cost		74.7		
Funding Source For Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1081			
Other				
* Personal Services Salary and Benefits Costs are from PACS calculations.				
<p>Justification This position will conduct administrative hearings involving the revocation of a minor's driver's license and/or privilege to drive. It will prepare the file, send notice to parties advising of the date and time of the hearing, conduct the hearing, prepare the file for appeal, enter license action onto the minor's driving record, and handle all correspondence associated with this program.</p>				

**REQUEST FOR
NEW POSITION**

AGENCY Department of Public Safety
BRU Motor Vehicles
COMPONENT Driver Services

FY 94

Page **5** of **5**
Revised Date _____



Alaska State Legislature

SENATOR TIM KELLY

Official Business

MEMORANDUM

State Capitol
Juneau, AK 99801-1182

TO: Representative Brian Porter, Chair
House Judiciary Committee

FROM: Senator Tim Kelly *TDK*

DATE: April 8, 1993

RE: ~~Hearing Request for SB 84~~ - Revocation of a minor's driving privileges for use of a fraudulent drivers license to purchase alcohol.

I respectfully request you consider scheduling a hearing for SB 84 at the House Judiciary Committee's earliest convenience. This bill passed the Senate on April 1 under reconsideration with a vote of 19 yeas and 1 nea.

SB 84 would address minors' use of fraudulent drivers' licenses to purchase alcohol by 1) Placing a hologram over vital information on the license to prevent tampering; 2) Clearly indicating the individual is under 21 by placing the phrase "Under 21" on the license; and 3) Revoking driving privileges for any individual caught using a fraudulent license to purchase alcohol (60 days for the first offense and 12 months for the second and subsequent offenses).

It is identical to legislation which passed the House last year (HB 444), was waived out of the Senate Judiciary Committee, and scheduled before the Senate Finance Committee in the closing hours of the 17th Legislature. Unfortunately, the clock ran out before the Finance Committee could send the bill on to the Rules Committee to be sent to the floor for a vote.

This legislation was supported by the Department of Public Safety, the Department of Health & Social Services, the Municipality of Anchorage's Health & Human Services Commission, Mothers Against Drunk Driving, the Bristol Bay Area Health Corporation, the Daily News, the Alcohol Beverage Control Board, the Alaska Cabaret, Hotel, Restaurant & Retailers Association, and the Anchorage Restaurant & Beverage Association.

My position paper and analysis, as well as additional back-up are attached.

Thank you in advance for your consideration.

Attachments



Official Business

Alaska State Legislature

SENATOR TIM KELLY

State Capitol
Juneau, AK 99801-1182

SPONSOR STATEMENT FOR SB 84:

Use of A Fraudulent Driver's License by a Minor to Purchase Alcohol

Alcohol abuse is a severe problem in Alaska, impacting individuals, families, and communities throughout our State. In fact, Alaska ranks 4th in the nation for per capita alcohol consumption. This legislation -- which attempts to address alcohol consumption by minors -- passed the House last session and died in the closing minutes of the session in the Senate Finance Committee.

Nationally, while drug use among teenagers is down, teenage alcohol consumption is increasing. In Alaska, alcohol is associated with a majority of vehicular deaths of teenagers. In 1990, the most recent year for which statistics are available, there were 180 accidents caused by alcohol impaired minors. These accidents resulted in 6 deaths.

The result of a 1988 report done by the University of Alaska, Anchorage, indicate that 75% of all Alaskan youth in grades 7-12 have tried alcoholic beverages, and alcohol and drug use was a contributing or causal factor in the crimes of 48% of all youth who were detained or placed on probation in Alaska. Another 1990 study indicates that 45% of males and 33% of females of driving age in grades 10-12 have driven after drinking.

Many of these underage drinkers are getting their alcohol through the use of fraudulent drivers' licenses. Between January 1989 and February 1992, nearly 6,000 fake IDs had been turned over to the Alcohol Beverage Control Board (A.B.C. Board), most of which were fraudulent drivers' licenses. I believe it is a safe assumption this number represents only a fraction of the fake IDs in circulation.

While Alaska statute already prohibits the use of a fraudulent driver's license and bans the sale of alcohol to minors, the law clearly has not been effective. Most minors don't even have any idea what the penalties are for using a fraudulent ID to purchase alcohol. Consider that of the more than 6,000 IDs confiscated in the three year period from 1989 to 1992, only 87 cases have been prosecuted. The average sentence of those convicted has been 20 hours of community service and a \$100 fine.

Clearly, Alaska's underage drinkers don't consider the law a real deterrent.

SB 84 was originally crafted to address this problem with cooperation from Mothers' Against Drunk Driving (MADD), the alcohol industry, the Department of Motor Vehicles (DMV), and the A.B.C. Board.

It was felt that the only way to effectively impress upon teenagers and 20-year-olds the grave consequences of using fraudulent drivers' licenses to go out drinking was to take away their car keys. Nothing will get their attention faster.

SB 84 would require the DMV to revoke a person's driving privileges for 60 days when a peace officer determines that person has used a driver's license as fraudulent ID to purchase alcohol. For a second offense, revocation would be for one year. This would be an administrative action, so revocation would not have to be adjudicated through the court system. Teenagers and 20-year-olds would see that the penalty is substantial and administered immediately.

(In order to ensure due process rights are protected, persons losing their license would have 7 days after receiving notice that their privilege to drive was to be revoked to request an administrative review. During this 7 days their notice of the DMV's intent to revoke would serve as a temporary license.)

Moreover, SB 84 would require that holograms be put on drivers' licenses and State IDs issued by the Department of Public Safety, as well as the phrase "UNDER 21" for qualified applicants.

Lastly, SB 84 would enact minor fee increases for a State ID and other drivers' licenses and permits to help pay for these preventative and deterrent measures.

If enacted, SB 84 should provide an effective deterrent for minors considering using fraudulent drivers' licenses to purchase alcohol, and go a long way towards alleviating some of the problems associated with alcohol abuse and use by minors.

BILL NO: SB 84

DATE: February 16, 1993

TITLE: "An Act relating to fees for identification cards..."

CONTACT: C.E. Swackhammer
Deputy Commissioner
465-4322

SB 84 amends current law by requiring a holographic symbol be placed on driver's license and identification cards to prevent illegal alteration or duplication. This bill also adds a new section to Alaska's motor vehicle driver's license of any person under the age of 21 who uses a driver's license as fraudulent or false identification in an attempt to gain entry or purchase alcohol from a liquor establishment.

The Division of Motor Vehicles processes approximately 200,000 driver's license and ID card transactions yearly. The present cost to produce a license is \$1.05 per card. To place a hologram on the license will increase the cost from \$1.05 to \$1.30, thus increasing the cost of producing a license and increasing the contractual cost for DMV an additional 50.0 a year.

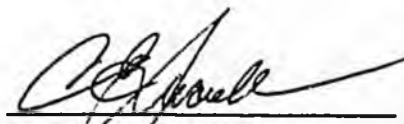
The Division anticipates some adverse public reaction to the revocation of a driver's license for a non-driving offense.

In 1992, the Alcohol Beverage Control Board reported that approximately 500 to 700 license a year are confiscated and referred to their agency by liquor establishments when a person under 21 is attempting to purchase alcohol. Approximately 1,500 licenses and IDs a year are surrendered to the department or confiscated by law enforcement officers. At the time of confiscation, the person was attempting to use an altered license, or attempting to use another's license or ID to gain entry into a liquor establishment in an attempt to purchase alcohol. The 1,500 licenses and IDs includes the 500 to 700 that are surrendered to the ABC Board.

This bill does not address information and education of the public or the costs associated with this type of program.

Identifying a person who is under 21 years of age on the driver's license will bring Alaska one step closer to qualifying for approximately 200.0 in federal highway safety alcohol incentive grants.

The Department feels the fee for a duplicate driver's license should be increased to \$10.00 instead of \$5.00. It takes more employee time to issue a duplicate than it takes for a renewal. When a person comes into a DMV office for a duplicate license or ID, it usually indicates they have lost their license and all identification, thus the additional time comes from having to verify the person's identity.


Richard L. Burton
Commissioner

DEPT. OF PUBLIC SAFETY
POSITION PAPER & FISCAL NOTE

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 3, 1993

SUBJECT: Sectional Summary of SB 84

TO: Senator Tim Kelly

FROM: Michael F. Ford *M. F.*
Legislative Counsel

You have requested a sectional summary of the above described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Increases the fee for an identification card to \$10.

Section 2. Requires that driver's licenses carry a holographic symbol and if the applicant is under age 21, the words "UNDER 21".

Section 3.

Sec. 28.15.187 - Provides for administrative revocation of the driver's license of a person who has used the license for the purchase of alcoholic beverages. Establishes a notice procedure and mandatory periods of license revocation.

Sec. 28.15.189 - Establishes a hearing procedure for a person whose driver's license is revoked under AS 28.15.189. Provides for appeal to superior court of the administrative determination.

Section 4. Provides for higher fees for certain drivers' licenses and permits.

Section 5. Effective date.

MFF:lmb
93-025.lmb

SECTIONAL

STATE OF ALASKA

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

WALTER J. HICKEL, GOVERNOR

550 W. 7TH AVE
ANCHORAGE, ALASKA 99501-6698

February 4, 1993

The Honorable Tim Kelly
Alaska State Senate
State Capitol
Juneau, AK 99801-1182

RE: SB 84

Dear Senator Kelly:

This letter intends to express the Alcoholic Beverage Control Board's support for Section 1 of SB 84 concerning drivers' licenses. As indicated in Investigator Bill Roche's memo of February 5, 1992, liquor licensees have been plagued by and exposed to myriad incidents of altered or fraudulent identification presented by underage persons for purchase of alcoholic beverages or entry to licensed premises. According to the board's information, an identification card or drivers license that displays a holographic symbol cannot be altered. The board believes that any measure, such as requiring a holographic symbol, that can deter or reduce alcohol abuse by underage persons is a benefit to licensees and the public.

The board does not have a position on Section 3 of the bill.

If you have any questions, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock
Director, ABC Board
(907) 277-8638

ENC: MEMORANDUM DATED 2/5/92

93-020

LETTERS OF SUPPORT

BRISTOL BAY AREA HEALTH CORPORATION

P.O. BOX 130 • DILLINGHAM, ALASKA 99576

(907) 842-5201 or (907) 842-5202

February 3, 1993

Senator Tim Kelly
Senate Labor & Commerce
State Capitol
Juneau, AK 99801-1182

Dear Senator Kelly,

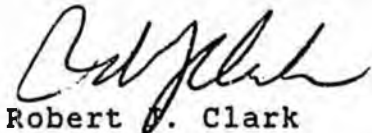
We appreciate this opportunity to respond to your introduction of SB 83 and SB 84. The Bristol Bay Area Health Corporation has supported these bills in the past and will continue to advocate passage in the form of this letter of support.

We renumerate our concerns regarding alcohol abuse as our main social problem in our region and we encourage any efforts to resuscitate interest to curb underage drinking and educate alcohol servers. The alcohol servers course has the potential to change the alcohol establishments policies and procedures, increase marketing to generate increased profits, educate servers on the alcohol beverage laws, provide servers with tools and techniques that can be used with patrons, and additional education efforts can be focused on the consequences of prenatal drinking that can cause birth defects.

Once again, thank you for introducing these key pieces of legislation and the best of luck in their passage.

Sincerely,

BRISTOL BAY AREA HEALTH CORPORATION



Robert D. Clark
Chief Executive Officer

RCJ/ve

cc: Senator George Jacko
Senator Georgianna Lincoln
Representative Lyman Hoffman
Representative Irene Nicholia
Representative Carl Moses
file



*Alaska Cabaret, Hotel,
Restaurant & Retailers Association*

*P.O. Box 104839 • Anchorage, Alaska 99510
401 K Street • (907) 272-8133 • Fax: (907) 277-8640*

February 16, 1993

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182

Dear Senator Kelly,

On behalf of the statewide membership of the Alaska Cabaret, Hotel, Restaurant and Retail Association, I would like to express appreciation for your introduction and sponsorship of Senate Bill 84. We believe that this legislation will have significant impact in curbing the problem of underage drinking.

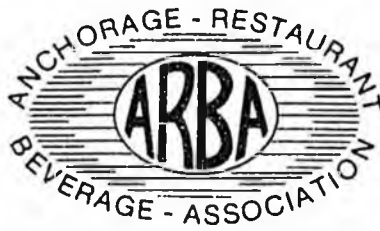
Underage drinking is a major social problem in our communities as well as a problem frequently encountered in our business. It is in our self-interest to support this legislation but even more importantly, we endorse it as a measure to protect all Alaskans from the sometimes tragic consequences of underage drinking.

This bill takes a common sense approach, first by making it much more difficult to alter an Alaska drivers license (a common method used by underage persons) and then by imposing meaningful and reasonable penalties on underage persons apprehended attempting to purchase alcohol.

We strongly endorse and support the passage of Senate Bill 84 and thank you for sponsoring such valuable legislation.

Yours truly,


Stan Filler
President



401 K Street Anchorage, Alaska P.O. Box 104839 Anchorage, Alaska 99510
(907) 272-8133 Fax: (907) 277-8640

WHEREAS, Senator Tim Kelly has sponsored Senate Bill 84, "An Act relating to fees for identification cards and certain motor vehicle licenses and permits; to licenses issued to drivers and to revocation of a license to drive; and providing for an effective date."; and,

WHEREAS, this bill provides for meaningful and reasonable penalties to be imposed on underage persons using false identification to purchase alcohol; and,

WHEREAS, the provisions of this bill will make altering or counterfeiting of the Alaska Driver's License almost impossible through the use of a hologram;

NOW THEREFORE BE IT RESOLVED, that the Anchorage Restaurant and Beverage Association strongly supports and endorses passage of this legislation which will have a significant impact in curbing the problem of underage drinking.

Michael C. Neely, President

February 15, 1993

ALASKA PROFESSIONAL BARTENDING SCHOOL



February 16, 1993

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182

Dear Senator Kelly:

We at Alaska Professional Bartending School strongly endorse and support Senate Bill 84 which we believe will effectively reduce the dilemma of underage drinking.

We feel the penalties involved in this Bill will definitely have the desired impact to diminish underage drinkers from trying to purchase alcohol and it will also alleviate the threat these individuals pose to all of us in the hospitality industry as well as the general public. The added benefit of making alterations and counterfeiting of the Alaska Driver's License more difficult is a definite advantage in the suspension of alcohol abuse by underage persons.

We wish to express our respect for what you are doing and extend our firm endorsement of Senate Bill 84.

Sincerely,

A handwritten signature in cursive script that reads "Stanley M. Austin".

Stanley M. Austin
President

Pioneer Bar & Liquor Store, Inc.

CHRISTINE M. TENGS
President

141-143 Second Ave.
Post Office Box 190
Haines, Alaska 99827
(907) 766-9101 Business
(907) 766-2474 Office
(907) 766-3374 FAX

February 16, 1993

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182

Dear Senator Kelly:

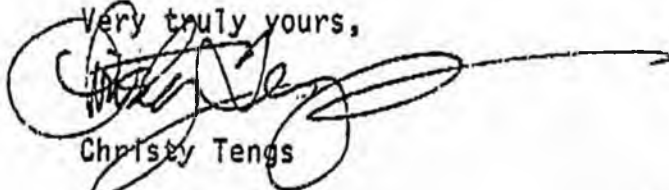
I would like to go on record as strongly supporting Senate Bill 84, which would require Alaska Drivers' Licenses to bear a holographic symbol (making them harder to alter) and would provide penalties for use of false identification.

In July of 1990, a young man (6 months short of 21) used a fake I.D. to purchase from our liquor store. A few hours later he totalled his Toyota pick-up and died in the crash. It didn't matter to his parents that he broke the law 9 times that night. It also didn't matter that he had shown 8 of our employees I.D. that met the requirements of Title 4. Nor did it matter that he had previously purchased alcohol in the presence of his parents. They filed a civil liability suit against us and the Alaskan Liquor Store where he also bought that night.

In January of 1992, we settled the suit for \$37,500. We agreed to this amount because it was less than half of what it would have cost to go to trial, even with the most favorable results. The total cost of over \$120,000 we spent defending ourselves pales next to the emotional toll it took on not just my family and the family of the clerk on duty that night, but on the whole town.

During the course of this lawsuit, I did extensive research on my own in order to save legal fees. I interviewed many of the young man's friends, all of whom were most open and helpful. What I discovered is this: Perfect fake I.D.'s are inexpensive and easy to obtain. Using one is not considered a serious offense, but a rite of passage into adulthood. They haven't a clue that what they're doing has consequences, because up till now, there haven't been any consequences.

I can't thank you enough for introducing this bill. It's time people started taking responsibility for their own actions. If our youth want to pretend they're adults, let them pay an adult price.

Very truly yours,

Christy Tengs



The Unisea Inn

Dutch Harbor, Alaska 99692

March 5, 1993

*Senator
State Capitol
Juneau, AK 99801-1182*

Dear Senator,

It has come to our attention there are four bills awaiting approval, that will drastically affect our business here, in Alaska. We would like to take a few moments of your time to express our views on these issues.

We would like to pledge support for Senate Bill 83, the Alcohol Server Training Bill. This Bill would prove to be assertive and helpful in the fight against alcohol abuse and the efforts to reduce drunk driving accidents. The main emphasis of this Bill is the aspect on training and how trained employees become responsible, better employees, helping us to protect our business and our customers.

Senate Bill 84 continues in the direction of solving problems of alcohol abuse by targeting the underage drinker. Senate Bill 84 attacks the problem in its infancy, hoping to alleviate larger alcohol abuse problems later. By instituting stiffer controls, such as a hologram on the driver's license to help discourage counterfeiting, or the taking away of a driver's license from teenagers attempting to buy alcohol, the State of Alaska is taking a firm step forward in helping to solve problems before they get out of hand.

Both of the aforementioned Bills are well thought out and sincere in their attempts to help Alaskans gain ground in the arena of alcohol abuse awareness. Senator Tim Kelly has shown he truly cares about the public and we ask that, like us, you will support him in his efforts.

We understand that the pursuit of standards in the fight of alcohol abuse is important. This is why we oppose House Bill 61. The BAC for Alaska is currently at 0.10%. This is the recognized standard for 45 states. House Bill 61 would decrease the BAC to 0.08%. The intention is good, but the result could prove counterproductive. This Bill will intimidate the responsible alcohol consumer, creating a loss of sales and decreasing jobs my business can offer. By increasing the amount of offenders just by changing a number, the efforts needed to enforce our already tough laws, against DWI's, are diminished. The increase in DWI processing, court cases and corrections systems decreases the time available for regular activities, one of those being the arrest of serious heavy drinkers. We need to make a stand and enforce the good laws we have, instead of changing these laws to reflect a sense of morality only.

Finally, we would like to express our dissatisfaction with House Bill 53. Another increase in alcohol excise taxes is absurd. Federal excise tax rates just increased in 1991, and President Clinton's Administration is again proposing more increases. Alaska now ranks number four in the highest excise taxes for distilled spirits. Increasing the taxes even more will only decrease sales, which decreases jobs. It will not curb alcohol abuse. The previously mentioned Senate Bills, number 83 and 84, are heading in the right direction to help this battle, but tax increases are not the answer. Please help us discourage House Bill 53, since we see it as unproductive to our business and a detriment toward the health of the state.

Thank you,



Doug Bagnell
General Manager
UniSea Inn
Pouch 503
Dutch Harbor, AK 99692

cc: Tim Kelly



REGAL ALASKAN HOTEL
ANCHORAGE

February 18, 1993

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182

Dear Senator Kelly,

I support Senate Bill 84 because I believe it will have significant impact in curbing the problem of underage drinking.

This bill provides for meaningful and reasonable penalties to be imposed on underage persons using false identification to purchase alcohol. Most teenagers view a drivers license as something very valuable to them, and the penalty of losing this privilege may be more of a deterrent than the more traditional fines imposed.

The previous of this bill will also make it more difficult to alter or counterfeit the Alaska Driver's License; another major step in halting the abuse of alcohol by underage persons.

My livelihood, and that of my 155 employees, is threatened by incidents of underage drinking.

My life, and that of my family and my employees, is threatened by underage drinkers on the highways and streets of Alaska, and I support Senate Bill 84 which will lessen this danger for all of us.

Sincerely,

Max J. Lowe, CHA
General Manager
Regal Alaskan Hotel

A REGAL INTERNATIONAL HOTEL

S B

8 6

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 19, 1993

Place: Capitol Room 120

HB 187 Interception of Private Communications
 HB 132 Extend Resource Extraction Permit/Lease
 SB 149 Revision of Banking Code
 SB 112 Uniform Commercial Code Revisions

Subject of Meeting: SB 84 Revoke Driver's License
 if False ID Used; SB 86 Fund Transfers Under the UCC

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
LT. CHRIS STOCKARD	PUBLIC SAFETY	450 Whittier St Juneau				(Y) N	HB 187 - FOR QUESTIONS ONLY ✓
Juanita Hensley	DPS/DMV	Box 111200 Room 427, Capitol Bldg Juneau 99801-1122	99811		4335	(Y) N	SB 84 ✓
Bill Kelder	Sen. KORTALA				4834	(Y) N	SB 86 + SB 112 ✓
JOSH FINK	SEN. KELLY				3819	(Y) N	SB 84 ✓
JOSH FINK	SEN. KELLY				3819	(Y) N	SB 149 ✓
BOB JAEGER	ALASKA INSURANCE AGENTS	301 SEWARD ST. JUNEAU	99801		586-2414	(Y) N	SB 149 ✓
BOB WILLIAMS	REP. TOM BRICE	STATE CAPITOL	99801		73466	(Y) N	CSHB 132 (WD)
Margot Knuth	Law - Crim	Box 110300	99811		X4049	(Y) N	HB 187
JEFF BUSH	Commerce - Banking + Securities	175 S. Franklin, Ste. 318, Juneau	99801		463-4150	(Y) N	SB 149 ✓
						Y N	
						Y N	
						Y N	

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 19, 1993

Place: Capitol Room 120

HB 187 Interception of Private Communications
 HB 132 Extend Resource Extraction Permit/Lease
 SB 149 Revision of Banking Code
 SB 112 Uniform Commercial Code Revisions

Subject of Meeting: SB 84 Revoke Driver's License
 if False ID Used; SB 86 Fund Transfers Under the UCC

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
Art Peterson	NCCUSL	One Sealsucker Place Suite 202 Lynn, MA	99801			<input checked="" type="radio"/> Y <input type="radio"/> N	86
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 14, 1993

FURTHER REFERRALS:

Date of Committee Action: 4-19-93

The JUDICIARY Committee considered:

SB 86

SENATE BILL NO. 86

FUND TRANSFERS UNDER THE UCC

"An Act relating to funds transfers under the Uniform Commercial Code; changing Alaska Rule of Civil Procedure 82; and providing for an effective date."

RECOMMENDATIONS: the same title
 be replaced with _____ a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) D.C.E.D. + D.O.LAW

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Brian S. Porter</i>	✓				
<i>Gail Phillips</i>	✓				
<i>Lee Todd</i>	✓				
<i>Geoff Brown</i>	✓				

Brian S. Porter

 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

No. 1
Version: SB 86
(S) Publish Date: 3-3-93

Revision Date: _____
Title: Fund transfers under the UCC
Sponsor: Senator Kerttula
Requestor: _____

Department Affected: Commerce and Economic Development
BRU: Banking, Securities and Corporations
Component: _____
COMPONENT SERIAL NO. 1233

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GFMHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY 93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Willis F. Kirkpatrick, Director
Division: Banking, Securities and Corporations

Phone: 465-2521
Date: _____

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development

Date: 3-2-93

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FISCAL NOTE

No. 2

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SB 86

(S) Publish Date: 3-3-93

Revision Date: February 10, 1993
Title: "...dealing with fund transfers under the Uniform Commercial Code..."
Sponsor: Senator Kerttula
Requestor: Senator Kerttula

Department Affected: Law
BRU: Legal Services
Component: Operations
COMPONENT SERIAL NO. 0093

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
-------------------------	--	--	--	--	--	--

FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: -0-

ANALYSIS: (Attach a separate page if necessary.)

Please see attached analysis.

Prepared by: Richard I. Pegues, Director
Division: Administrative Services Division
Approved by Commissioner: Richard I. Pegues / RIR
Agency: Department of Law

Phone: 465-3672
Date: February 10, 1993
Date: February 10, 1993

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 86

ANALYSIS: (continued)

This bill amends the state's Uniform Commercial Code (AS 45.01.100 - AS 45.09.507) in accordance with recommendations of the National Conference of Commissioners on Uniform State Laws (NCCUSL). This amendment modernizes regulation of fund transfers between banks and other financial institutions by recognizing the use of electronic transactions. In 1989 the average amount transferred daily throughout the United States was one trillion dollars. Many of the financial transactions that take place today are accomplished by electronic means, reducing the shear load of paper transactions that would otherwise be required. Forty-four states have already adopted these provisions and incorporating them in Alaska's Uniform Commercial Code will help Alaska financial institutions keep up with the rest of the country. These provisions will not change the rules in Articles 3 and 4 dealing with signatures and endorsements on checks as the basis for determining liability. It is not anticipated that the changes proposed in the UCC will have any direct fiscal impact on the Department of Law or the state, because they deal primarily with private sector transactions.

STATEMENT OF
SEN. JAY KERTTULA
ON
S.B. 86 AND S.B. 112
"UNIFORM COMMERCIAL CODE"
BEFORE THE
HOUSE JUDICIARY COMMITTEE
HONORABLE BRIAN PORTER, CHAIRMAN
MONDAY, APRIL 19, 1993

GOOD AFTERNOON. I'D LIKE TO THANK COMMITTEE CHAIRMAN PORTER AND THE MEMBERS OF THE HOUSE JUDICIARY COMMITTEE FOR SCHEDULING SENATE BILLS 86 AND 112 FOR PUBLIC HEARING TODAY. THE BILLS ARE COMPANION PIECES OF LEGISLATION AMENDING ALASKA'S UNIFORM COMMERCIAL CODE.

AS SPONSOR, I WILL PROVIDE AN OVERVIEW OF THE BILLS. I HAVE ALSO ASKED A REPRESENTATIVE OF THE DEPARTMENT OF LAW, AND ALASKA UNIFORM LAW COMMISSIONER ART PETERSON TO BE HERE TODAY TO EXPLAIN THE MORE TECHNICAL ASPECTS OF THE BILLS, SHOULD THE COMMITTEE DESIRE SUCH AN EXPLANATION.

I WILL BEGIN WITH SENATE BILL 86, ALSO KNOWN AS THE "FUNDS TRANSFERS' BILL.

SPONSOR STATEMENT-SB 86 AND AB 112
PAGE 2

GENERALLY SPEAKING, SENATE BILL 86 BRINGS THE FUNDS TRANSFERS PORTION OF ALASKA'S UNIFORM COMMERCIAL CODE UP TO DATE WITH REGARD TO CURRENT ELECTRONIC TECHNOLOGY AS IT APPLIES TO MODERN BUSINESS PRACTICES.

S.B. 86 WILL ENACT THE NEW ARTICLE 4A INTO THE STATE'S UNIFORM COMMERCIAL CODE. THE U.C.C. IS A COMPREHENSIVE CODIFICATION OF COMMERCIAL LAW THROUGHOUT THE COUNTRY. UNTIL 1989, HOWEVER, THE U.C.C. DID NOT DEAL WITH FUNDS TRANSFERS BETWEEN COMMERCIAL ENTITIES. AS BUSINESS PRACTICE HAS COME TO RELY MORE HEAVILY ON THE SPEED, EFFICIENCY, RELIABILITY AND RELATIVELY LOW COST OF ELECTRONIC TECHNOLOGY, IT IS APPARENT THAT ALASKA'S COMMERCIAL LAWS NEED TO BE BROUGHT UP TO DATE.

THE NEW ARTICLE 4A EMBODIED IN S.B. 86 DOES THIS. THE PROVISIONS IN S.B. 86 HAVE ALREADY BEEN ADOPTED BY 44 OTHER STATES, INCLUDING NEW YORK, ILLINOIS AND CALIFORNIA--THE MAJOR FINANCIAL CENTERS FOR AMERICA.

THE SHEER VOLUME OF COMMERCIAL FUNDING TRANSACTIONS VIA MODERN TECHNOLOGY MAKES ENACTMENT OF S.B. 86 NECESSARY. IN 1989, A RECORD THREE TRILLION DOLLARS WERE TRANSFERRED ON A SINGLE DAY--MORE MONEY THAN THE 1989 U.S. GROSS NATIONAL PRODUCT. THE AVERAGE INDIVIDUAL FUNDS TRANSFER IN 1989 WAS FIVE MILLION DOLLARS, AND THE AVERAGE DAILY TRANSFER WAS ONE TRILLION DOLLARS.

UNLESS THE PARTIES TO A TRANSACTION USE THE SAME BANK, A FUNDS TRANSFER, ON AVERAGE, INVOLVES AT LEAST FOUR ENTITIES: THE ORIGINATOR OF THE PAYMENT; THE BANK TO WHICH THE ORIGINATOR COMMUNICATES THE FIRST PAYMENT ORDER; THE BANK OF THE ENTITY RECEIVING THE ORDER; AND THE RECIPIENT OR BENEFICIARY.

BECAUSE THESE TRANSACTIONS ARE DONE ELECTRONICALLY, AND NOT IN CASH, A NUMBER OF QUESTIONS REGARDING RESPONSIBILITY AND LIABILITY ARISE. QUESTIONS SUCH AS: WHAT HAPPENS IF THE FIRST

SPONSOR STATEMENT--SB 86 AND SB 112
PAGE 4

BANK MAKES A MISTAKE ON THE AMOUNT TO BE PAID? WHAT
IF THE SECOND BANK FAILS TO NOTIFY THE RECIPIENT?
WHAT HAPPENS IF THE ORIGINAL PAYMENT ORDER IS
FRAUDULENT AND NOT ACTUALLY ISSUED BY THE
ORIGINATOR? WHO BEARS THE RISK OF LOSS AT A GIVEN
TIME IN THE TRANSACTION PROCESS? AND WHAT
CONSTITUTES ACCEPTANCE AND REJECTION OF A PAYMENT
ORDER?

THESE AND OTHER QUESTIONS ARE ANSWERED IN THE
ARTICLE 4A ENACTED BY SENATE BILL 86 WHICH,
BASICALLY, ESTABLISHES THE RULES GOVERNING THE
PAYMENT OF LARGE SUMS OF MONEY.

THE BILL PROVIDES A SIGNIFICANT IMPROVEMENT IN
ALASKA COMMERCIAL LAW. IT WILL HELP KEEP ALASKA'S
UNIFORM COMMERCIAL CODE UP TO DATE WHICH, IN TURN,
HELPS ASSURE A FAVORABLE COMMERCIAL CLIMATE IN
ALASKA--ONE THAT IS IN LINE WITH THE REST OF THE
NATION AND CAN, ACCORDINGLY, HELP ENCOURAGE
ECONOMIC DEVELOPMENT AND GROWTH IN ALASKA.

SPONSOR STATEMENT-SB 86 AND SB 112
PAGE 5

S.B. 86 HAS A ZERO FISCAL NOTE FROM THE DEPARTMENT OF LAW. IN ADDITION, FEDERAL FINANCIAL REGULATORS ARE ENCOURAGING INDIVIDUAL STATES TO ENACT THE PROVISIONS EMBODIED IN S.B. 86. TO BRING THEIR RESPECTIVE STATE LAWS INTO COMPLIANCE WITH FEDERAL LAW. UNLESS STATES ADOPT THESE PROVISIONS, THE FEDERAL GOVERNMENT WILL STEP IN AND PERFORM THE REGULATORY AND ENFORCEMENT DUTIES RELATING TO FUNDS TRANSFERS.

THE PROVISIONS IN S.B. 86 HAVE BEEN ENDORSED BY THE NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS.

SENATE BILL 112

SENATE BILL 112, IN GENERAL, ALSO MAKES AMENDMENTS TO ALASKA'S UNIFORM COMMERCIAL CODE. IN MOST INSTANCES THESE CHANGES ARE DESIGNED TO BRING THE CODE UP TO DATE WITH THE REST OF THE COUNTRY.

SPONSOR STATEMENT-SB 86 AND SB 112
PAGE 6

THE FIRST CHANGE ADDS A NEW ARTICLE 2A TO THE EXISTING LAW. WHILE THE EXISTING LAW COVERS COMMERCIAL PROPERTY LEASES, THERE IS NO LANGUAGE RELATING TO PERSONAL PROPERTY LEASING.

PERSONAL PROPERTY BEING LEASED RANGES FROM CARS, HORSES, AND MOVING VANS TO CONSTRUCTION EQUIPMENT AND OIL RIGS.

ARTICLE 2A DEALS WITH WHAT ARE CALLED "TRUE" LEASES AND "FINANCE" LEASES. THE ARTICLE PROVIDES THE STATUTORY ANSWERS TO A BROAD RANGE OF LEGAL ISSUES, COVERING SUCH MATTERS AS OFFER AND ACCEPTANCE, WARRANTIES, MISTAKE, FAILURE TO PERFORM, RISK OF LOSS AND REMEDIES.

THE CURRENT ABSENCE OF THESE RULES PROMOTES LITIGATION.

ARTICLE 3 OF S.B. 112, FOR THE MOST PART, REORGANIZES THE EXISTING MATERIAL IN THE STATE CODE TO MAKE IT MORE CLEAR AND TO ACCOUNT FOR MODERN

TECHNOLOGIES. THESE REVISIONS FIX MANY OF THE PROBLEMS THAT HAVE ARISEN OVER THE PAST 40 YEARS WITH THE UNIFORM COMMERCIAL CODE AND WITH NEGOTIABLE INSTRUMENTS. SOME OF THE CHANGES INCLUDED IN ARTICLE 3 AND ARTICLE 1 OF S.B. 112 ARE NECESSARY TO BRING THESE ARTICLES INTO COMPLIANCE WITH THE NEW LANGUAGE IN ARTICLE 4A AS IT APPEARS IN S.B. 86.

ONE IMPORTANT CHANGE IN ARTICLE 3 IS THAT THE REVISION RECOGNIZES THAT THERE ARE TWO TYPES OF INSTRUMENTS--NOTES AND DRAFTS--WHICH USUALLY PERFORM DIFFERENT FUNCTIONS AND, THEREFORE, MERIT DIFFERENT TREATMENT.

BENEFITS FROM ENACTING ARTICLE 3 OF S.B. 112 INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING: CERTAINTY OF THE LAW, SPEED AND RELIABILITY, LOWER COSTS, REDUCED LITIGATION, AND STRICTER STANDARDS FOR FIDUCIARIES.

FINALLY, SENATE BILL 112 SEEKS TO REPEAL ARTICLE 6 OF THE PRESENT UNIFORM COMMERCIAL CODE. ARTICLE 6 DEALS WITH BULK SALES. A BULK SALE IS ONE IN WHICH A BUSINESS SELLS ALL OR A LARGE PART OF ITS INVENTORY TO A SINGLE BUYER OUTSIDE THE ORDINARY COURSE OF BUSINESS.

THE EXISTING LAW WAS DESIGNED TO PROTECT CREDITORS OF SUCH BUSINESSES FROM THE PROPRIETOR WHO ABSCONDS WITH THE PROCEEDS OF SUCH A SALE. THESE LAWS WERE ENACTED IN A CLIMATE OF SMALLER BUSINESSES.

BUT THE CREDIT ENVIRONMENT HAS CHANGED DRASTICALLY OVER THE YEARS, SO THAT THE RISK OF THE ABSCONDING PROPRIETOR IS NO LONGER VERY GREAT. IT IS NOW EASIER FOR BUSINESSES TO ESTABLISH THE CREDITWORTHINESS OF A PROPRIETOR OR MERCHANTISER, AND EASIER TO PURSUE THOSE FEW WHO DO "TAKE THE MONEY AND RUN".

SPONSOR STATEMENT-SB 86 AND SB 112
PAGE 9

IN ADDITION, UNDER ARTICLE 9 OF THE EXISTING CODE, PROTECTIONS FOR CREDITORS ARE MORE SIGNIFICANT THAN IN THE PAST.

BECAUSE OF THESE FACTORS, THE NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS, AND A GROUP OF 16 ALASKA BUSINESS LAW ATTORNEYS, HAVE RECOMMENDED THAT ARTICLE 6 BE REPEALED. AS OF 1991, 14 STATES HAD APPROACHED THIS ISSUE AND TEN OF THEM OPTED FOR THE REPEAL APPROACH ENACTED IN SENATE BILL 112.

THIS BILL RECEIVED A ZERO FISCAL NOTE FROM THE DEPARTMENT OF LAW'S DIVISION OF LEGAL SERVICES. ACCORDING TO THE DEPARTMENT'S ANALYSIS ACCOMPANYING THIS FISCAL NOTE, THE BASIC CHANGES PROPOSED IN S.B. 112 ARE--AND I QUOTE:

". . .NEEDED TO HELP BRING ALASKA BUSINESSES AND CONSUMERS INVOLVED IN COMMERCIAL TRANSACTIONS UP TO DATE WITH BUSINESSES AND CONSUMERS IN THE REST OF THE COUNTRY." (END QUOTE).

SPONSOR STATEMENT-SB 86 AND SB 112
PAGE 10

BECAUSE OF THIS, AND THE OTHER REASONS I HAVE
OUTLINED IN MY STATEMENT, IT IS MY HOPE THAT THIS
COMMITTEE WILL LOOK FAVORABLY ON BOTH SENATE BILL 86
AND SENATE BILL 112, GIVING IT A "DO PASS"
RECOMMENDATION.

(end statement)

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

WALTER J. HICKEL, GOVERNOR

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 463-5295

April 14, 1993

Hon. Brian Porter, Chair
House Judiciary Committee
Alaska House of Representatives
State Capitol Building, Room 122
Juneau, AK 99811

Re: SB 86

Dear Representative Porter:

The Department of Law has reviewed SB 86 and finds no legal problems.

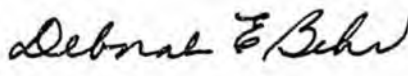
The bill makes important improvements to the Uniform Commercial Code.

We understand that the bill is before your committee. We would request early scheduling of a hearing on the bill.

If you have questions, please let us know.

Sincerely,

CHARLES E. COLE
ATTORNEY GENERAL

By: 
Deborah E. Behr
Assistant Attorney General

DEB:cl

cc: Alaska's Uniform Law Commissioners Delegation
Justice Jay Rabinowitz
Arthur H. Peterson, Esq.
Jerry Kurtz, Esq.
Tam Cook, Esq.
Grant Callow, Esq.

Kris Lethin, Legislative Liaison
Office of the Governor

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514 Lake Street
Sitka, Alaska 99835
Telephone (907) 747-3900
Facsimile (907) 747-3990

February 10, 1993

The Honorable Tim Kelly
Chair, Senate Labor and Commerce Committee
Alaska State Legislature
Room 101, Capitol Building
Juneau, AK 99801-1182


Re: SB 86 -- Uniform Commercial Code, Article 4A
(Funds Transfers)

Dear Senator Kelly:

Word was relayed to me yesterday that your assistant, Josh Fink, has requested a section-by-section description of this bill. I have prepared the attached description, which I trust will be helpful for your committee's deliberations.

SB 86 is essential in Alaska's effort to keep its Uniform Commercial Code up to date and to facilitate doing business in Alaska by using modern technology and business practices. Therefore, I urge your committee to schedule it for an early hearing, to catch up with the 44 other states that have already enacted it.

Yours truly,


Arthur H. Peterson
Uniform Law Commissioner
for Alaska

AHP/mh

Enclosure

cc w/encl: The Honorable Jay Kerttula ✓
Alaska State Senate

Deborah E. Behr, Assistant Attorney General
Legislation/Regulations Section
Alaska Department of Law

Rest of Alaska's ULC Delegation

Section-by-Section Description of SB 86
(UCC, Article 4A, Funds Transfers)

2/9/93
AHP

Introduction.

Section 12 of SB 86 is the heart of the bill. It adds a new chapter to the Alaska Statutes. The new chapter embodies Uniform Commercial Code (UCC), Article 4A, Funds Transfers, promulgated by the National Conference of Commissioners on Uniform State Laws (NCCUSL), in conjunction with the American Law Institute, in 1989. It has been approved by the American Bar Association and endorsed by the American Bankers Association. As of February 1, 1993, it had been enacted by 44 states. The NCCUSL's official text includes detailed commentary for each section of the new article. The description below is based on that commentary.

The basic point of the whole bill is to recognize modern electronic technology and business practices. It provides statutory, nationally consistent answers to the myriad of questions currently arising. There is no comprehensive body of law, outside of Article 4A, that defines the rights and obligations that arise from wire transfers.

The banking system uses various mechanisms for making payments. Most are covered in whole or part by state or federal statutes. Most actual payments are made by check or credit card. Payment by check is covered by Articles 3 and 4 of the UCC, and some aspects of payment by credit card are covered by federal law. Some aspects of electronic funds transfers (i.e., most payments made by use of automated clearing houses) are covered by federal statute, the Electronic Fund Transfer Act (EFTA). Those kinds of transactions are not covered by the new Article 4A.

Wholesale wire transfers are the primary focus of the new article. These are overwhelmingly between business or financial institutions. The dollar volume of these payments far exceeds the dollar volume of payment made by all other means. The volume of payments by wire transfer over the two principal wire payment systems -- the Federal Reserve Wire Transfer Network (Fedwire) and the New York Clearing House Interbank Payments Systems (CHIPS) -- exceeds one trillion dollars a day. Regulations embodying the new Article 4A have been adopted to cover those two systems, and they would not be governed by state law (i.e., by this new Article 4A), but the substance will be the same. However, a significant volume of nonconsumer automated clearing house (ACH) payments that closely resemble wholesale wire transfers are also covered by Article 4A as enacted by the states.

Here is an example of a funds transfer covered by Article 4A: X, a debtor, wants to pay an obligation owed to Y. Instead of delivering to Y a negotiable instrument such as a check that would enable Y to obtain payment from a bank, X transmits an instruction

to X's bank to credit a sum of money to the bank account of Y. Typically, two different banks are involved at that point. X's instruction to its bank is a "payment order." X is the "sender." With respect to X's order, X's bank is the receiving bank. With respect to the funds transfer, X is the "originator," X's bank is the "originator's bank," Y is the "beneficiary," and Y's bank is the "beneficiary's bank." X's bank may carry out X's instruction by electronically telling Y's bank to credit Y's account in the amount that X requested. In more complex transactions, there can be one or more additional banks, known as "intermediary banks" involved. Since the payment order itself may be transmitted by a slow means such as first class mail, the broader term "funds transfer" rather than the narrower term "wire transfer" is used in Article 4A to describe the overall payment transaction.

Section-by-section description.

Sections 1 -- 11 of the bill make minor style amendments and corrections and, primarily, amend various citations to recognize the existence of the new chapter (i.e., the new Article 4A). Many of the citation updates are made by referring to "the code" (i.e., the UCC), which term is then defined in Section 8 of the bill (amending existing AS 45.01.201, at page 5, lines 11 and 12). This approach simplifies the citation system.

Section 12 of the bill adds a new "funds transfers" chapter -- AS 45.14. In the following description, the section numbers alone, without the title and chapter numbers, will be set out to identify the respective provisions.

- Section 101. For ease of reference to this batch of material, this section gives the short title, following the standard practice for the Uniform Commercial Code.

- Section 102. This is a simple statement of the applicability of the chapter. The exception refers to consumer transactions governed by federal law.

- Sections 103 -- 105. These definition sections set out definitions of basic terms, and include some cross references to other definitions. Central to this material is the definition of "funds transfer" in proposed Sec. 104 (page 11, lines 17 -- 22).

- Section 106. This section identifies the time that a payment order is received by applying the same rules that determine when a notice is received. This provision is important because the specified time usually defines the payment date or the execution date of a payment order.

- Section 107. This section merely provides for the Federal Reserve Board regulations to supersede inconsistent

provisions of state law -- a standard concept. This could occur in transfers made by Fedwire.

- Section 108. Comparable to Sec. 107, this section merely provides for the superseding applicability of federal law.

- Section 201. A large percentage of payment orders and communications amending or canceling payment orders are transmitted electronically, and it is standard practice to use security procedures that are designed to assure the authenticity of the message. This section defines "security procedure."

- Sections 202 and 203. Acceptance of a payment order by the receiving bank is based on the belief by the bank that the order was authorized by the person identified as the sender. These two sections set out the rules governing liability and obligation to pay.

- Section 204. This section sets out the rules with regard to refund of payment, etc., when what appears to be a payment order is actually an unauthorized one. This section applies only where (1) there is no commercially reasonable security procedure in effect, (2) the bank did not comply with a commercially reasonable security procedure that was in effect, and (3) the sender can prove that the culprit did not obtain confidential security information controlled by the customer. It also covers the situation where the bank, under Sec. 203, agreed to take all or part of the loss resulting from an unauthorized payment order.

- Section 205. This section covers three types of error in the content or in the transmission of payment orders. .

- Section 206. This section applies an agency concept when an intermediary bank is used for the purpose of transmitting payment orders and related messages for the sender. This section deals only with errors by the intermediary.

- Section 207. Subsection (a) deals with the problem of payment orders issued to the beneficiary's bank for payment to nonexistent or unidentifiable persons or accounts. Since it is not possible in that case for the funds transfer to be completed, subsection (a) states that the order cannot be accepted. Subsection (b), which takes precedence over subsection (a), deals with the problem of payment orders in which the description of the beneficiary does not allow identification of the beneficiary because the beneficiary is described by name and by an identifying number or an account number, and the name and number refer to different persons.

- Section 208. This section is similar to Sec. 207. Because of automation in the processing of payment orders, a payment order may identify the beneficiary's bank or an

intermediary bank by an identifying number. This section covers the situation where the bank identified by number might or might not also be identified by name.

- Section 209. This section, on the acceptance of a payment order, treats the sender's payment order as a request by the sender to the receiving bank to execute or pay the order, and that request can be accepted or rejected by the receiving bank. This section tells when acceptance occurs. The next section covers rejection. Acceptance imposes an obligation.

- Section 210. With respect to payment orders issued to a receiving bank other than the beneficiary's bank, notice of rejection is not necessary to prevent acceptance of the order. Acceptance can occur only if the receiving bank executes the order. But notice of rejection will routinely be given by such a bank in cases in which the bank cannot or is not willing to execute the order for any of various reasons. This section sets out the rules governing rejection.

- Section 211. This section states the conditions under which cancellation or amendment of a payment order is both effective and proper.

- Section 212. This section describes the liability of a receiving bank.

- Section 301. This section defines "executed" and "execution date." These terms are used only with respect to a payment order to a receiving bank other than the beneficiary's bank. The beneficiary's bank can accept the payment order that it receives, but it does not "execute" the order. Execution refers to the act of the receiving bank in issuing a payment order "intended to carry out" the payment order that the bank received.

- Section 302. In the absence of agreement, the receiving bank is not obliged to execute an order of the sender. (See Sec. 212.) This section states the manner in which the receiving bank may execute the sender's order if execution occurs.

- Section 303. This section states the effect of erroneous execution of a payment order by the receiving bank. Under Sec. 402(c), below, the sender of a payment order is obliged to pay the amount of the order to the receiving bank if the bank executes the order, but the obligation to pay is excused if the beneficiary's bank does not accept a payment order instructing payment to the beneficiary of the sender's order. If erroneous execution of the sender's order causes the wrong beneficiary to be paid, the sender is not required to pay. If erroneous execution causes the wrong amount to be paid, the sender is not obliged to pay the receiving bank an amount exceeding that specified in the sender's order.

- Section 304. This section, on the duty of a sender to report an erroneously executed payment order, is the same in effect as Section 204 above, which applies to unauthorized orders issued in the name of a customer of the receiving bank.

- Section 305. Subsection (a) covers cases of delay in completion of a funds transfer resulting from an execution by a receiving bank in breach of Sec. 302(a). The receiving bank is obliged to pay interest on the amount of the order for the period of the delay. Subsection (b) applies to cases of breach of Sec. 302 that involve more than mere delay.

- Section 401. "Payment date" refers to the day the beneficiary's bank is to pay the beneficiary. It may be expressed in various ways, so long as it indicates the day that the beneficiary is to receive payment. In certain transfers, the payment date is the equivalent of "settlement date" or "effective date."

- Section 402. This section sets out the general rules specifying the obligation of a sender to pay the receiving bank. Subsection (b) states that the sender of a payment order to the beneficiary's bank must pay the order when the beneficiary's bank accepts the order. At that point, the beneficiary's bank is obliged to pay the beneficiary. A payment order is not like a negotiable instrument on which the drawer or maker has liability. Acceptance of the order by the receiving bank creates an obligation of the sender to pay the receiving bank the amount of the order. That is the extent of the sender's liability to the receiving bank, and no other person has any rights against the sender with respect to the sender's order.

- Section 403. This section defines when a sender pays the obligation stated in Sec. 402. If a group of two or more banks engages in funds transfers with each other, the participating banks will sometimes be senders and sometimes receiving banks. This section deals with situations where a federal reserve bank is, and situations where it is not, involved.

- Section 404. The first sentence of subsec. (a) states the time when the obligation of the beneficiary's bank arises. The second and third sentences state when the beneficiary's bank must make funds available to the beneficiary. They also state the measure of damage for failure, after demand, to comply. Subsection (b) states the duty of the beneficiary's bank to notify the beneficiary of receipt of the order.

- Section 405. This section defines when the beneficiary's bank pays the beneficiary and when the obligation of the beneficiary's bank under Sec. 404 to pay the beneficiary is satisfied. In almost all cases, the bank will credit an account of the beneficiary when it receives a payment order.

- Section 406. Subsection (a) states the fundamental rule of Article 4A (the proposed AS 45.14) that payment by the originator to the beneficiary is accomplished by providing to the beneficiary the obligation of the beneficiary's bank to pay. Since this obligation arises when the beneficiary's bank accepts a payment order, the originator pays the beneficiary at the time of acceptance and in the amount of the payment order accepted.

- Section 501. This section, allowing variation by agreement, is designed to give some flexibility to Article 4A. Funds transfer system rules govern rights and obligations between banks that use this system. They may cover a wide variety of matters such as form and content of payment orders, security procedures, cancellation rights and procedures, indemnity rights, compensation rules for delays in completion of a funds transfer, time and method of settlement, credit restrictions with respect to senders of payment orders, and risk allocation with respect to suspension of payments by a participating bank.

- Section 502. When a receiving bank accepts a payment order, the bank normally receives payment from the sender by debiting an authorized account of the sender. In accepting the sender's order, the bank may be relying on a credit balance in the account. In certain situations, it is unjust to the bank to allow the "creditor process" to take the credit balance on which the bank may have relied. Subsec. (b) allows the bank to obtain payment from the sender's account in this kind of situation. Subsection (c) deals with payment orders issued to the beneficiary's bank. The bank may credit the beneficiary's account when the order is received, but, under Sec. 404(a), the bank incurs no obligation to pay the beneficiary until the order is accepted under Sec. 209(b). "Creditor process" is defined in subsec. (a) of this section to cover a variety of devices by which a creditor of the holder of a bank account or a claimant to a bank account can seize the account. Procedure and nomenclature vary widely from state to state.

- Section 503. This section, on injunctions and restraining orders with respect to a funds transfer, is designed to prevent interruption of a funds transfer after it has been set in motion. Only certain kinds of injunctions are permitted. In particular, intermediary banks are protected, and injunctions against the originator and the originator's bank are limited to issuance of a payment order.

- Section 504. Subsection (a) concerns priority among various obligations that are to be paid from the same account. The problem addressed arises when an account balance is not sufficient to cover all of the checks and payment orders issued by the owner of the account.

- Section 505. This section is in the nature of a "statute of repose" (like a "statute of limitation") for objecting to debits made to the customer's account.

- Section 506. A receiving bank is required to pay interest on the amount of a payment order received by the bank in a number of situations. Sometimes the interest is payable to the sender, and in other cases it is payable to either the originator or the beneficiary of the funds transfer. This section tells how the rate of interest is determined.

- Section 507. Since funds transfers are typically interstate or international in character, this section sets out the rules stating which law applies to questions that arise.

Section 13 of the bill simply requires the reviser of statutes to make sure that all Uniform Commercial Code citations accurately reflect the new chapter.

Section 14 of the bill, related to the effective date specified in Sec. 16 of the bill, identifies the causes of action that will be covered by the new AS 45.14 and those that will still be covered by the common law of Alaska.

Section 15 of the bill, in conjunction with the bill title itself, facilitates compliance with Article II, Section 13, and Article IV, Section 15, of the Alaska Constitution, identifying changes in the court rules.

Section 16 of the bill makes the Act effective as of January 1, 1994. This appears to be a reasonable beginning date, giving adequate notice and preparation time to those concerned with this subject, while not unduly delaying Alaska's joining the rest of the country in making these provisions effective.

#

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 2, 1993

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 4/13/93

The LABOR AND COMMERCE Committee considered:

SB 86

SENATE BILL NO. 86

FUND TRANSFERS UNDER THE UCC

"An Act relating to funds transfers under the Uniform Commercial Code; changing Alaska Rule of Civil Procedure 82; and providing for an effective date."

RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

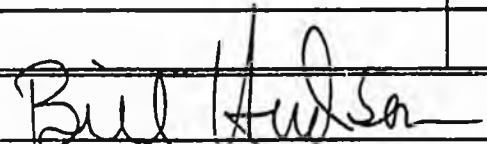
APPROVES PREVIOUS: _____ (Dept/Date)

[] fiscal impact _____

[] fiscal note(s) _____

[] zero fiscal note _____ 2 zero fiscal note(s) DCED, LAW

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
Joe Sutton	✓	Brand Hapter		✓	
Bill Hudson	✓	Alan Wells		✓	
		Joseph [unclear]		✓	
		[unclear]		✓	
		W.K. Williams		✓	


 CHAIRMAN'S SIGNATURE

National Bank of Alaska



Juneau Office P.O. Box 021189 Juneau, Alaska 99802-1189 (907) 586-3324 FAX (907) 463-3997

April 7, 1993

Representative Bill Hudson
Capitol Office Building
Room 108
Juneau, AK 99801

Dear Representative Hudson:

I urge your support in scheduling Senate Bill 86 for house consideration. This rather lengthy and unglamorous bill is extremely important in conducting business in and outside of Alaska. Briefly the bill sets out clear lines of responsibility between parties utilizing electronic fund transfers. With more and more business being conducted through electronic transfers it is important to provide clear lines of responsibility which will reduce and eliminate legal disputes. The bill provides clear, fair and sound rules for all parties (not just financial institutions) in conducting business through fund transfers. This bill will eliminate disputes that could arise between the State of Alaska and the other 44 states which have adopted this regulation. I know that the Alaska Banker's Association as well as my company are solidly in support of this bill.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Peter M. Crandall'.

Peter M. Crandall
Senior Vice President

105

SB

FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO: SB 105

Revision Date: _____ Dept. Affected: Public Safety
 Title: "An Act relating to motor vehicle dealers and agents." BRU: Motor Vehicles
 Component: Field Services
 Sponsor: Senator Taylor
 Requestor: Senator Taylor COMPONENT SERIAL NO. 502

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

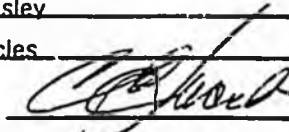
POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY 93) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

No fiscal impact upon the Division of Motor Vehicles is anticipated.

Prepared By: Juanita Hensley Phone: 465-4361
 Division: Motor Vehicles Date: 2/23/93
 Approved by Commissioner:  Date: 2/23/93
 Agency: Richard L. Burton, Dept. of Public Safety

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 19, 1993

FURTHER REFERRALS:

Date of Committee Action: 4-7-93

The JUDICIARY Committee considered:

CSSR 105 (JUD)am

CS FOR SENATE BILL NO. 105 (JUD) am

MOTOR VEHICLE DEALERS & BUYERS' AGENTS

"An Act relating to motor vehicle dealers and to agents for motor vehicle buyers; and providing for an effective date."

RECOMMENDATIONS:

be replaced with H CS ~~A~~ CS SB 105 (JUD) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) Public Safety 2/26/93

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				

[Signature]
CHAIRMAN'S SIGNATURE

Rep. Brian Porter, Chairman

House Judiciary Committee

Date: April 7, 1993

Place: Capitol Room 120

SB 105 Motor Vehicle Dealers
 HB 128 Early Acknowledgement of Paternity
 HB 122 Child Custody Procedures
 HB 65 Financial Administration of State Government

Subject of Meeting: HB 119 Use of Day Fines
 HB 188 Forfeiture of Property

Please Print Name	Representing	Business/Personal Mailing Address	Zip	(H) Phone	(W) Phone	Do you Want to Testify?	Which Subject/ Which Bill?
STEVEN ALLWINE	ALASKA AUTO DEALERS	8725 Mallard St Juneau	99801		789-1386	<input checked="" type="radio"/> N	House CS/SB 105
Dou Sturdy	AK DDL	PO Box 21149, Juneau	99802		465-6003	<input checked="" type="radio"/> N	CS HB 65
✓ ART SWANSON	CANALS	303 K ST	99501		244-0547	<input checked="" type="radio"/> N	HB 119
① CHRIS CHRISTENSEN	CONCRETE SYSTEM	303 K ST MCH	99501		264-8228	<input checked="" type="radio"/> N	HB 122
✓ Cheryl FRASCA	OMB	Bx 110020 JUNEAU	99811		465-4681	<input checked="" type="radio"/> N	HB 65
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	

8-LS0535NR
Bannister
4/6/93

HOUSE CS FOR CS FOR SENATE BILL NO. 105(JUD)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS TAYLOR, Duncan

REPRESENTATIVE Phillips

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to motor vehicle dealers and to agents for motor vehicle
2 buyers; and providing for an effective date."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 08.66 is amended by adding a new section to read:

5 Sec. (08.66.015. SALE OF MOTOR VEHICLE. (a) A person who does
6 business as a dealer in the state may not offer to sell or sell a motor vehicle as a new
7 or current model motor vehicle unless the motor vehicle retains the manufacturer's
8 certificate of origin.

9 (b) A person who does business as a dealer in the state may not offer to sell
10 or sell a motor vehicle as a new or current model motor vehicle having a
11 manufacturer's warranty unless

12 (1) the dealer has a current sales and service agreement with the
13 manufacturer and the agreement requires the dealer, upon demand of the motor vehicle
14 buyer, to perform or arrange for, within a reasonable distance of the dealer's place of

1 business in the state, the repair and replacement work required of the manufacturer
2 under the warranty; or

3 (2) the dealer offers to give the buyer a rebate to cover the repair and
4 replacement work that the dealer cannot perform or arrange for within a reasonable
5 distance of the dealer's place of business.

6 * Sec. 2. AS 08.66.030 is amended to read:

7 Sec. 08.66.030. FORM OF APPLICATION. The Department of Public Safety
8 shall prescribe and furnish the form of application for dealer registration. The
9 application must contain

10 (1) the name under which the business is conducted;

11 (2) the location of business;

12 (3) the name and address of all persons having an interest in the
13 business [,] and, in the case of a corporation, the application shall contain the name
14 and address of the two principal officers;

15 (4) the name and make of all vehicles handled;

16 (5) whether or not used vehicles are handled;

17 (6) a statement that the applicant is a bona fide dealer in motor
18 vehicles, trailers, or semi-trailers with an established business at the location given;

19 (7) if the applicant sells a motor vehicle as a new or current model
20 motor vehicle having a manufacturer's warranty, the name of the manufacturer
21 of the motor vehicle and the date and duration of the applicant's sales and service
22 agreement with the manufacturer;

23 (8) other information the Department of Public Safety requires to
24 administer AS 08.66.010 - 08.66.090 [THIS CHAPTER].

25 * Sec. 3. AS 08.66.080 is amended to read:

26 Sec. 08.66.080. PENALTIES. A dealer who fails to register and file a bond
27 as required by AS 08.66.010 - 08.66.090 [THIS CHAPTER] shall pay a penalty of
28 \$100. A dealer who knowingly [WILFULLY] violates a provision of AS 08.66.010 -
29 08.66.090 [THIS CHAPTER] is guilty of a class B misdemeanor [, AND UPON
30 CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$300].

31 * Sec. 4. AS 08.66.090 is amended to read:

1 Sec. 08.66.090. DEALER DEFINED. In AS 08.66.010 - 08.66.090, [THIS
2 CHAPTER] "dealer" means a person, or an agent, broker, or salesman of a person who
3 is engaged in buying, selling, or dealing in new or used motor vehicles, trailers, or
4 semi-trailers in the state, but does not include a buyer's agent when acting in the
5 capacity of a buyer's agent. In this section, "buyer's agent" has the meaning
6 given in AS 08.66.350.

7 * Sec. 5. AS 08.66 is amended by adding new sections to read:

8 ARTICLE 2. BUYERS' AGENTS.

9 Sec. 08.66.200. REGISTRATION OF BUYER'S AGENT. A person may not
10 do business in the state by negotiating on behalf of a buyer the purchase of a motor
11 vehicle from a motor vehicle dealer unless the person is registered with the Department
12 of Public Safety.

13 Sec. 08.66.210. APPLICATION, BOND, AND FEE. (a) In order to register
14 under AS 08.66.200, a person shall file with the department an application, a bond
15 required by AS 08.66.240, and an application fee established by the department by
16 regulation.

17 (b) The department shall prescribe and furnish the form of application for the
18 registration. The application must contain

19 (1) the name under which the business is conducted;

20 (2) the address of the main office of the business;

21 (3) the name and address of all persons having an interest in the
22 business, and in the case of a corporation the application shall contain the name and
23 address of the two principal officers; and

24 (4) other information the department requires.

25 Sec. 08.66.220. DEPARTMENT APPROVAL. The department shall approve
26 an application for registration under AS 08.66.210 if the application contains the
27 information required by AS 08.66.210 and the bond complies with AS 08.66.240.

28 Sec. 08.66.230. RENEWAL OF REGISTRATION. A buyer's agent shall
29 renew the registration required by AS 08.66.200 every two years by filing with the
30 department a request for renewal, the bond required by AS 08.66.240, and a renewal
31 fee established by the department by regulation.